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PP STAFF COMMENTS ON LETTER DATED 21 MARCH 1953 FROM NELSON A. ROCKEFELLER TO C.D. JACKSON REGARDING THE ESTABLISHMENT OF A NEW FOREIGN INFORMATION AGENCY AND THE POSSIBILITY OF REPLACING THE PSYCHOLOGICAL STRATEGY BOARD WITH A NEW SECURITY STRATEGY BOARD

NSC review completed - unredacted segments may be declassified

A. P R O P O S A L.

1. The President's Advisory Committee on Government Organization is giving serious consideration to the establishment of a new Foreign Information Agency (hereafter referred to as FIA). Foreign information programs and cultural and educational exchange programs now carried on by the State Department and the Mutual Security Agency would be consolidated under this new Agency.

2. A complex problem confronting the President's Committee is the relationship, if any, FIA should have to the National Security Council and the Psychological Strategy Board. Two possibilities have been mentioned. One, that FIA's relationship to NSC and PSB would be similar to CIA's. Second, that FIA would report to the PSB.

This second suggestion is immediately followed by a proposal, which would set up a Security Strategy Board to replace the PSB. The new Security Strategy Board would be composed of the present PSB members, with the FIA head added. The proposed functions of the new Board read as follows:

- (a) ... To formulate policies for presenting to the people of the world and promoting outside the United States the best understanding of our national policies.
- (b) ... To develop programs to carry such policies into effect.
- (c) ... To allocate responsibility under and give guidance for such programs.
- (d) ... To coordinate and follow up the discharge of such responsibilities.

B. D I S C U S S I O N.

1. Present Setup. NSC 10/2 is the basic authority for covert cold war operations. On 4 April 1951, by Presidential directive, there was established a Psychological Strategy Board responsible for "the formulation and promulgation, as guidance to the departments and agencies responsible

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for psychological operations, of over-all national psychological objectives, policies and programs, and for the coordination and evaluation of the national psychological effort". The directive states: "This directive does not authorize the Board nor its Director to perform any 'psychological operations' ". The directive also states: "... psychological operations shall include all activities (other than overt types of economic warfare) envisioned under NSC 59/1 and NSC 10/2, the operational planning and execution of which shall remain, subject to this directive, as therein assigned".

Under NSC 10/5 the authority of the DCI for conduct of covert operations in accordance with NSC 10/2 was reaffirmed. The PSB in that document was made responsible for three functions:

- (a) ... For determining the desirability and feasibility of covert psychological operations and programs as developed by the Director of Central Intelligence.
- (b) ... For establishing the scope, pace and timing of covert operations and the allocation of such priorities among these operations.
- (c) ... For coordinating action of the departments of State and Defense in order to undertake these operations.

These functions are presently discharged through the mechanism of the NSC 10/5 Committee.

2. Rockefeller Proposal. The language proposing the establishment of a new Security Strategy Board is limited, making no reference to cold war responsibilities. This probably is because of the supposed agreement with the Jackson Committee that no recommendations concerning cold war responsibilities will be made until the Jackson Committee report is completed.

Nevertheless, it would appear reasonable to assume the following:

- (a) The new Security Strategy Board would inherit the covert Cold War responsibilities presently assigned to the PSB.
- (b) Additional powers of a command nature would be given to the new Board.
- (c) The views of C.D.Jackson, newly appointed Cold War Coordinator, will carry considerable weight as to the kind of organizational structure to be established.

3. Possible Effects

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3. Possible Effects on CIA.

a. FIA Relationships similar to CIA's.

The first suggestion, i.e., that FIA's relationship to the NSC and PSB might be similar to that of CIA, would bring about little or no change in CIA's present setup, assuming of course that PSB's functions remain as is.

b. FIA under new Security Strategy Board.

The second suggestion, i.e., that FIA be placed under a new Security Strategy Board has far-reaching implications. If the reasoning and assumptions set forth under paragraph B-2. 'Rockefeller Proposal' are accepted, there is a strong possibility that the new Security Strategy Board would emerge as the planning and directing agency of the entire Cold War effort. In other words, if:

- (1) ... a Security Strategy Board is set up as proposed, and
- (2) ... FIA is placed under its supervision,

it would be logical for CIA-10/2 to also report to the Security Strategy Board.

Assuming that this occurred, the DCI's responsibility would be split; he would report to the NSC and the President on intelligence matters, and to the Security Strategy Board, - a committee under NSC - on 10/2 matters. This would undoubtedly then lead to the old question as to where 10/2 activities should be located.

It is beyond doubt that the Chairman of the new Security Strategy Board would have a strong case in claiming that 10/2 activities should be placed under him as the covert arm of the US Cold War effort. Tab (I) charts the inter-agency relationships that might exist under such a setup.

The main advantage of this type of organization is that all Cold War activities would be grouped under one Head. From a CIA standpoint, several disadvantages can be noted:

- (a) Rule by Committee is undesirable.



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- (c) Close coordination

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- (c) Close coordination of 10/2 and NSCID #5 activities would be greatly curtailed.

C. ALTERNATE PROPOSAL. (By PP Staff)

The following organizational structure (Tab II) is suggested as one embracing the most workable and effective relationship amongst interested offices, both existing and proposed.

DCI would conduct overt activities under the direct supervision of the Presidential Coordinator of Cold War activities, who would have a strong permanent staff (size to be determined after further study).

The capacity of the Coordinator would be that of Special Assistant to the President having direct supervisory responsibilities of all Cold War activities, both overt and covert.

The Security Strategy Board, consisting of senior representatives from State, Defense, NSA, FIA and CIA, would be constituted as a committee of the NSC with the function of providing the Coordinator with policy guidance. The Security Strategy Board would have no supervisory powers.

DCI would be responsible to the NSC as at present for the conduct of foreign intelligence-type activities.

Advantages:

- (a) A clear-cut and single line of responsibility for covert activities would be established, both as regards policy guidance and operational implementation.
- (b) The difficulties attendant to "rule by committee" would be avoided (e.g. slow-down, delays, conflicting views et al).
- (c) NSC 10/2, 10/5 and NSCID #5 activities would be adequately coordinated and mutually supporting under a single roof.
- (d) "OPC" or that element conducting covert activities would be located organizationally and procedurally in a position analagous to that of FIA - both under the Coordinator.



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Disadvantage

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Disadvantage:

DCI would be placed in the position of reporting to the Coordinator for one activity but not for another closely related activity.

D. C O N C L U S I O N A N D R E C O M M E N D A T I O N .

It is believed that the advantages inherent in the proposal contained in section 'C' above outweigh the one listed disadvantage. It is also believed that this proposal presents a more workable solution than the possibilities implied in the Rockefeller letter.

It is consequently recommended that this alternate proposal be injected into current discussions outside the Agency before some less satisfactory proposal is adopted.

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FROM:

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TO	ROOM NO.	DATE		OFFICER'S INITIALS	COMMENTS
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NSC review completed - and takes no action on document